

Service Date: September 16, 1993

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

IN THE MATTER of the Application)	
of PACIFICORP for authority to)	UTILITY DIVISION
issue and sell not more than)	DOCKET NO. 93.9.40
5,000,000 shares of its Common)	DEFAULT ORDER NO. 5742
Stock.)	

On October 5, 1992, PacifiCorp (PP&L), a corporation organized and existing under and by virtue of the laws of the State of Oregon and qualified to transact business in Montana, filed with the Montana Public Service Commission its verified application, pursuant to §§69-3-501 through 69-3-507, MCA, requesting an order authorizing PP&L to issue and sell, in one offering or from time to time through December 31, 1993, not more than 5,000,000 shares of its Common Stock.

On October 20, 1992, the Commission granted PP&L's request in Docket No. 92.10.56, Default Order No. 5655.

On September 3, 1993, PP&L filed an application in the named matter requesting authority to increase the amount of Common Stock to be issued and sold from 5,000,000 shares to 6,000,000 shares. All other terms and conditions relating to PP&L's original application remain the same.

The original application in this matter was supported by exhibits and data, which are

incorporated by reference to PP&L's application, in accordance with the rules and regulations of the Commission governing the authorization of the issuance of securities by electric and gas utility companies operating within Montana.

For detailed information with respect to the general character of PP&L's business and the territories served by it, reference is made to its annual reports on file with the Commission.

The original application sets forth Counsel who will pass upon the legality of the proposed issuance, the other regulatory authorizations required, and the propriety of the proposed issue.

At a regular open session of the Montana Public Service Commission held in its offices at 1701 Prospect Avenue, Helena, Montana, on September 13, 1993, there came before the Commission for final action the matters and things in Docket No. 93.9.40, and the Commission, having fully considered the application and all the data and records pertaining to it on file with the Commission and being fully advised in the premises, makes the following:

FINDINGS

1. PP&L is a corporation organized and existing under and by virtue of the laws of the State of Oregon and is qualified to transact business in the State of Montana.
2. PP&L is operating as a public utility as defined in . 69-3-101, MCA, and is engaged in furnishing electric service in Montana.
3. PacifiCorp was incorporated under Oregon law in August 1987 for the purpose of facilitating consummation of a merger with Utah Power & Light Company, a Utah corporation, and changing the state of incorporation of PacifiCorp from Maine to Oregon. PP&L uses the assumed business names of Pacific Power & Light Company and Utah Power & Light Company

within their respective service territories located in the states of California, Idaho, Montana, Oregon, Utah, Washington and Wyoming.

4. The Commission has jurisdiction over the subject matter of the application under . 69-3-102, MCA.

5. Notice of this application was published as a part of the Commission's regular weekly agenda.

6. PP&L proposes to issue and sell, in one offering or from time to time through December 31, 1993, not more than 6,000,000 of its Common Stock. All other terms and conditions authorized by the Commission in Docket No. 92.10.56, Default Order No. 5655, remain the same and are incorporated herein by reference.

7. PP&L has not issued or sold any of the Common Stock authorized in this matter. However, PP&L has selected managers and expects to price the issuance and sale of its Common Stock in late September, 1993. PP&L believes that it would be advantageous to increase the amount of shares of its Common Stock available to be issued and sold to 6,000,000 shares because of the favorable market conditions at this time.

8. The expected results of the offering and sale of the Common Stock are as follows:

ESTIMATED RESULTS OF THE OFFERING

	<u>TOTAL</u>	<u>PER SHARE</u>
Gross proceeds	\$120,750,000	\$20.125*
Less: Agents'/Underwriters' compensation**	<u>4,226,250</u>	<u>0.704</u>
Proceeds Payable to Company	\$116,523,750	\$19.421
Less: Other Issuance Expenses	<u>325,000</u>	<u>0.054</u>
Net Proceeds	<u>\$116,198,750</u>	<u>\$19.367</u>

*Based upon the September 1, 1993 closing stock price.

**Assumes all shares are sold through an underwritten transaction.

9. The net proceeds of the issuances will be used to reimburse PP&L's treasury for funds expended from income and from other treasury funds that were not derived from the issuance of securities. The funds to be reimbursed were used in furtherance of one or more of the utility purposes authorized by

. 69-3-501 MCA. To the extent that the funds to be reimbursed were used for the discharge or refunding of obligations, those obligations or their precedents were originally incurred in furtherance of a utility purpose.

10. Issuances of the Common Stock proposed are part of an overall plan to finance the cost of PP&L's facilities taking into consideration prudent capital ratios, earnings coverage tests and market uncertainties as to the relative merits of the various types of securities PP&L could sell.

11. The issuance of this Order authorizing the proposed financing does not constitute

agency determination/approval of any issuance-related ratemaking issues which issues are expressly reserved until the appropriate proceeding.

CONCLUSIONS OF LAW

1. The proposed issuances of Common Stock to which this application relates will be for lawful objects within the corporate purposes of PP&L. The method of financing is proper.
2. The application should be approved.

ORDER

IT IS THEREFORE ORDERED by the Commission that:

1. The application of PacifiCorp filed on September 3, 1993, for authority to issue and sell, in one offering or from time to time through December 31, 1993, not more than 6,000,000 shares of its Common Stock, pursuant to §§69-3-501 through 69-3-507, MCA, and to use the proceeds for normal utility purposes, is approved.
2. PacifiCorp shall file the following as they become available:
 - a. The "Report of Securities Issued" required by 18 CFR 34.10.
 - b. Verified copies of any agreement entered into in connection with the issuance of Common Stock pursuant to this Order.
 - c. A verified statement setting forth in reasonable detail the disposition of the proceeds of each offering made pursuant to the order.
3. Issuance of this Order does not constitute acceptance of PacifiCorp's exhibits or other material accompanying the application for any purpose other than the issuance of this Order.

4. Approval of the transaction authorized shall not be construed as precedent to prejudice any future action of this Commission.

5. Section 69-3-507, MCA, provides that neither the issuance of securities by PacifiCorp pursuant to the provisions of this Order, nor any other act or deed done or performed in connection with the issuance, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed, or guaranteed.

6. This Order shall be effective upon execution.

DONE IN OPEN SESSION at Helena, Montana, this 13th day of September, 1993, by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

BOB ANDERSON, Chairman

BOB ROWE, Vice Chairman

DAVE FISHER, Commissioner

NANCY McCAFFREE, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.